

WN U-2

ORIGINAL SHEET NO. 1

H&R WATERWORKS, INC.

For Commission's Receipt Stamp

NAMING RATES FOR

WATER SERVICE

IN

WESTERN WASHINGTON

AND

CONTAINING RULES AND REGULATIONS

GOVERNING SERVICE

H & R WATERWORKS, INC.
3242 Capitol Blvd Ste B
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UBI# 601-019-703

Issued: July 11, 2005

Effective: September 1, 2005

Issued by: H&R Waterworks, Inc.

By: Stephen L. Harrington


Title: General Manager

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ORIGINAL SHEET NO. 2

H&R WATERWORKS, INC.

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SCHEDULE 1

SERVICE AREAS

Thurston County	PWSID #	
Apricot Park 1	06059A	*
Apricot Park 2	06060X	*
Bordeaux Farms A	069877	*
Bordeaux Farms B	06988Q	*
Bordeaux Farms C	069898	*
Bordeaux Farms D	06990V	*
Brandywine A	06265R	*
Brandywine B	06267T	*
Brandywine C	06268A	*
Brandywine D	06269U	*
Burnsville	05329V	
C&M	00662B	
Campbell Water	018277	
Champion Estates A	05367V	*
Champion Estates B	05368C	*
Conifer Village	04457N	
Cooperfield	04459P	
Country Club	15503J	
Countrywood Estates	08393R	
Cedar Shores	049538	*
Deschutes River Garden Estates East	06278K	*
Deschutes River Garden Estates West	06280P	*
Deschutes Village	19035Y	
East Olympia Community Water	04601J	
Empire	00926R	
Fir Tree/McGraw	07549R	*
Gifford's	008866	
Grand Mound 196th	37201A	
Grant Water	632648	*
Guava A	029980	
Guava B	029998	
Guava Waterworks	06516C	*

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Thurston County (continued)	PWSID #	
Hosch Estates A	07487M	*
Hosch Estates B	074885	*
Hosch Estates C	07489N	*
Hosch Estates D	07492A	*
James Road A	06639K	*
James Road B	066406	*
James Road C	06641P	*
James Road D	066448	*
Knowles Rd/Forest Trails	07970D	
Longhorn Country Estates	30190J	
Mallory C #1	06560K	*
Meadows, The	87784Q	
Meadowood	63131T	
Mound Water System	65065M	*
Offut Lake Estates	038954	
Palermo	052770	
Pecan Road	01294P	
Riverlea	728178	
Richwood	07783V	*
Scatter Water	017801	*
Seneca West/McLane	06449K	
Silver Fox	59953Q	*
Sterling Estates West	AA062K	
Sterling Estates East	AA061K	
Tahoma Meadows	07215J	*
Vineyards, The	05290W	
Violet Meadows A	06156M	*
Violet Meadows B	061665	*
Violet Meadows C	06167N	*
Violet Meadows D	061686	*
Violet Meadows Estates I	058937	*
Violet Meadows Estates II	05894Q	*
Violet Meadows Estates III	058958	*
Violet Meadows Estates IV	05896R	*
Violet Meadows Estates V	05899A	*
Violet Meadows Estates VI	05902H	*
Whitney (fka Thunberg)	05614	
Windtree	Pending	

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Mason County	PWSID#	
Anthony Road N	03722M	*
Anthony Road S	037235	*
Belwood	05534T	*
Belwood B	047807	*
Dayton Trails	02715V	*
Elkridge	033076	*
Hamma Ridge	05867H	*
Jackson Timber	05192T	*
Jade Drive	051262	*
Parkwood	66220B	*
Pine Acres A	01745K	*
Pine Acres B	05476Q	*
Pine Acres C	01569W	*
Prairiewood	008022	
Rainbow Lake	70791Y	*
Rolling Hills	03655U	*
Rhododendron Place	012134	*
Shadowood	135840	
Singh Water	06204P	*
Springwood	834083	*
Stonebrier I	027824	*
Stonebrier II	02783M	*
Stonebrier III	027845	*
Totten Estates I	05543J	*
Totten Estates II	055442	*
Wonderland	98128K	*
Woodland Manor	981842	*
Wivell Road	05098R	*
Lewis County	PWSID #	
Forn	033498	*
Hidden Meadows I	02294R	*
Hidden Meadows II	022959	*
Hidden Meadows III	02296T	*
Margaret Meadows	07763E	*
Sandra Avenue	54591W	*
Timberline Village Water System	88388B	

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Pierce County

Berry #2
Berry #3
Berry #6
Eggiman
Glacier Vista
Quail Run
Spanaway 192nd
Prairie View Estates

PWSID#

45135X
55644B
05729C
22585F
077491
701850
155319
047931

Kitsap County

Country Homes
Forest Haven #1

PWSID#

03720L *
06595X *

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**WATER SERVICE
RULES AND REGULATIONS**

Rule 1 - Adoption of Rules of Regulatory Authorities

The rules regulating water service prescribed by the Washington Utilities and Transportation Commission, after this called the Commission are adopted and by this reference are made a part of this tariff.

Rule 2 - Schedules and Conditions

The schedules and conditions specified in this tariff for water service are subject to change according to the public service laws of the State of Washington. The amount of water furnished is subject to the Department of Health required standards of quantity and quality. All schedules for water service apply to applicants for or customers receiving water service from the Company.

Rule 3 - Application and Agreement for Service

Each prospective customer desiring water service will be required to fully complete and sign the Company's standard form of application or other form of agreement before service is supplied. As part of the application, the prospective customer must complete a cross connection survey for the application to be considered complete.

An application for service is notice that the prospective customer desires water service from the Company and represents agreement to comply with the Company's rules and regulations on file with the Commission and in effect at the time service is furnished. In the absence of a signed application for water service, the delivery of water by the Company through a standard connection and the taking thereof by the customer will constitute an agreement by and between the Company and the customer for the delivery and acceptance of service under the applicable rate schedule(s) and these rules and regulations.

Rule 4 - Definition of Service

Service will be supplied as described in these rules and under the applicable rate schedule(s). Service will be supplied only to those who secure their source of water exclusively from the Company, unless otherwise provided under written

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WATER SERVICE
RULES AND REGULATIONS

Rule 4 - Definition of Service (continued)

contract. Water service will be used only for the purpose specified in the service agreement and applicable rate schedule(s). A customer will not sell or permit others to use such service, unless authorized to do so under written contract with the Company.

If a customer wants to discontinue service, the customer shall be required to give not less than 10 calendar days prior notice to the Company of their intention to discontinue service.

The customer will not increase demand or use of service as stated in the application for service without giving prior notice of such request to increase. In the event such increase is granted by the Company, the customer is required to pay the Company's regularly published rates for the increased service from the date of connection and use of the service.

Whenever the customer wants to permanently discontinue the use of water through any fixtures mentioned in the original application, the customer at their own expense must request the Company to cause the fixture to be removed and the branch pipe or service supplying the same to be capped or plugged, and must notify the Company in writing before any reduction in charge will be made.

Rule 5 - Reconnection / Disconnect Visit Charge

A reconnection charge, as specified in Schedule 12, will apply for any reconnection of the customer's service to the Company's distribution system. Such charge is to apply only in cases where service has been discontinued for non-payment of delinquent account, request of the customer, refusal to make proper repairs or similar cause. No charge will be made for reconnection of service if the shut-off was made for the convenience of the Company in making repairs, changes, etc. When disconnection does not occur due to payment made by the customer, a disconnect visit charge as specified in Schedule 12, will apply.

When a Company employee is dispatched to disconnect service that person shall be required to accept payment in cash of a delinquent account and reconnection charge as specified in Schedule 12. If amount owing is tendered in cash, Company employee will not be required to dispense change for excess of the amount due and owing. Any excess payment will be credited to the customer's account. The Company will restore service when the cause of discontinuance has been removed and payment of all proper charges due from customer have been made.

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WATER SERVICE
RULES AND REGULATIONS

Rule 6 - Installation of Service Connections, Meters and Service Pipe

The Company will construct service connections of a proper size as determined by the Company, from its distribution mains to the customer's property. The Company reserves the right to refuse to construct a service connection to any property if the applicant's pipes are not properly constructed and protected.

The Company may meter any flat rate service at its discretion. The Company's metered service rates will become effective, after the customer has received 30 days' written notice. All meters so placed will be installed and maintained by the Company without direct retrofit cost to the customer.

A meter will be installed upon any flat rate service at the request of the customer, provided, that the actual cost of the meter installation is paid by the customer at the time of the installation and before the water is turned on. The amount paid will be reimbursed to the customer, by bill credit, at least ten (10%) percent of the meter and installation charge each month until fully paid. All meters will be installed and maintained by the Company without further cost to the customer. The charge and conditions for this services are specified in Schedule 12.

Rule 7 - Distribution Main Extension

Company Allowance - Where elevation and construction conditions allow and one or more bona fide prospective permanent customers request a main extension, the Company will construct and pay for the same, if the Company has sufficient capacity available to meet Department of Health standards of quantity and quality.

Customer Pro Rata Share - The cost of main extension in excess of the estimated customer(s) revenue for three years (Company allowance) must be paid by the prospective customers in advance.

Construction Contract - No main extension will be considered as coming under this rule where the total cost of the main extension is greater than the estimated customer(s) revenue for six years. Water main extensions and/or fire hydrants will be installed after contracts have been approved by the Washington Utilities and Transportation Commission pursuant to WAC 480-110-435.

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WATER SERVICE
RULES AND REGULATIONS

Rule 8 - Responsibility for, and Maintenance of, Services

The point at which water will be delivered to and received by the customer will be on the property line (Point of Delivery) of the customer's property at a point designated by the Company. The Company will install its meter or other connection device at the Point of Delivery, except, at its option, the Company may install its meter at some other agreed point on the property of the customer, provided that in such event the property line will nevertheless be deemed the Point of Delivery.

The customer will assume all responsibility after Point of Delivery for water supplied by the Company. The Company will also be exempt from all liability for loss or damage caused by leakage or escape of water furnished by the Company, after water has passed the Point of Delivery.

All service pipes and fixtures on the customer's side of the Point of Delivery shall be provided and must be maintained to prevent leaking and protected from freezing at the customer's expense. Where there are leaking or defective pipes or fixtures, the water may be turned off at the option of the Company until properly repaired. The Company may require any service to be equipped with a stop and waste cock to be used during freezing weather instead of permitting water to run continuously from faucets.

Rule 9 - Access to Premises/ Service Visit Charge

The Company's regularly authorized agents or employees will have access to the premises of the customer at reasonable hours for meter reading, inspection, connection, disconnection, repair or removal of the Company's property. Where the meter has not been read, a minimum bill will be rendered and adjusted when the next succeeding meter reading is available.

The customer will pay a Service Visit Charge as specified in Schedule 12 when:

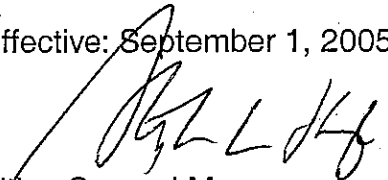
- a. A Company employee or agent is dispatched to the premise and the condition was caused by or was the responsibility of the customer.
- b. The Company employee or agent has not had access to read the meter for at least two billing cycles and the Company employee or agent is dispatched to access the meter and continues to not have access to the meter.

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WATER SERVICE
RULES AND REGULATIONS

Rule 10 - Interruption to Service

The Company will make a diligent effort to render uninterrupted service and supply of water. In cases where shut-off is necessary for repair, reconstruction, damage prevention or similar cause, the Company will give one day advance notice to its customers of such scheduled shut-off. However, the Company will not be responsible for any damage that may result from any cessation of services such as above outlined, nor for failure to give notice of shut-off when circumstances are such that it is impossible to give notice as stated above.

Rule 11 - Payment of Bills/ Late Payment Fees

All bills shall be paid monthly in arrears and are due and payable upon receipt and are considered delinquent no less than fifteen (15) days after the date mailed. Bills will be deemed received upon personal delivery to customer or three (3) days following the deposit of the bill in the United States mail to the customer's last known address. Where the meter has not been read, a minimum bill will be rendered and adjusted when the next succeeding meter reading is available.

A Late Payment Fee as specified in Schedule 12 will be automatically assessed to each customer's account when payment has not been received by its due date. The Late Payment Fee will be credited on the customer's next bill by the Company if a disputed amount is resolved in favor of the customer.

Rule 12 - Deposits

The Company may require a deposit in situations where a customer's service has been disconnected for nonpayment of amounts owed to the Company or when a customer is unable to establish or maintain credit with the Company.

The deposit will not be more than an average two-twelfths of estimated annual billing. Interest on deposits will be accrued at the rate established annually by the Commission. Interest is computed from the time of deposit to the time of refund and is compounded annually.

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WATER SERVICE
RULES AND REGULATIONS

Rule 12 – Deposits (continued)

Deposits, plus any accrued interest, less any amount owed for service rendered, will be refunded to the customer: 1) where the customer has for 12 consecutive months paid for service when due or 2) upon termination of service.

In addition, the Company will comply with all provisions of the Commission's deposit rules, specifically, WAC 480-110-335.

Rule 13 - Responsibility for Delinquent Accounts

The Company will not refuse or discontinue service to an applicant or customer, who is not in arrears to the Company even though there are unpaid charges due from the premises to be occupied by the applicant or a customer, due to the unpaid bill of a prior tenant unless there is evidence of intent to defraud.

The Company may not permanently deny service to an applicant because of a prior obligation to the Company.

Rule 14 - Discontinuance of Service

The Company reserves the right to discontinue a customer's service according to the provisions of WAC 480-110-355 if the customer:

- (a) Has unpaid bills, as provided for in this tariff.
- (b) Water uses for purposes or properties other than those specified in the customer's application for service.
- (c) Willful waste of water through improper or defective piping, equipment, or otherwise.
- (d) Piping or equipment that does not meet the company's standards or fails to comply with other applicable codes and regulations.
- (e) Tampering with the company's property.
- (f) Vacating the premises.
- (g) Nonpayment of any proper charges, including deposit, as provided in this tariff.
- (h) Refusing to allow access as required in this tariff or Commission Rules.

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ORIGINAL SHEET NO. 10

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**WATER SERVICE
RULES AND REGULATIONS**

Rule 14 - Discontinuance of Service (continued)

- (i) Violating rules, service agreements, or effective tariffs, including violation of outdoor watering instructions given to customers in order to curtail water use during time of shortage.
- (j) Use of equipment that detrimentally affects the company's service to its other customers.
- (k) Service obtained by fraud.
- (l) Fails to complete the tri-annual cross connection control survey as required in WAC 246.290.
- (m) Fails to fully comply with Rule 20 of this tariff.

The right to discontinue service may be exercised whenever and as often as any of the foregoing situations occur, and neither delay nor omission by the Company to enforce this rule any time will be deemed a waiver of its right to discontinue service.

Discontinuance of service by a customer - Customer shall be required to give written notice to the Company of their intention to discontinue service.

Required notice prior to disconnecting service: The company must serve a written disconnection notice on the customer, either by mail, or, at the company's option, by personal delivery of the notice to the customer's address, attached to the primary door.

A minimum of eight (8) business days' written notice will be given a customer before service is discontinued, except in the case of danger to life or property as determined jointly by the Company and a licensed, registered physician who may be the local public health officer. Before disconnecting service, the Company must in addition to the first (1st) notice as described above, provide a second (2nd) notice by on the two options listed below.

- (1) Delivered notice - The company must deliver s second (2nd) notice to the customer and attach it to the customer's primary door. The notice must contain a deadline for compliance that is no less then twenty-four (24) hours after the of delivery that allows the customer until 5:00 p.m. of the following day to comply, or
- (2) Mailed notice - The company must mail a second (2nd) notice, which must include a deadline for compliance that is no less than three (3) business days after the date of mailing if mailed from within the state of Washington.

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WATER SERVICE
RULES AND REGULATIONS**Rule 14 - Discontinuance of Service** (continued)

Disconnection notice will expire after ten (10) business days from the first day that the company may disconnect service, unless other mutually agreed upon arrangements have been made and confirmed in writing by the company. If mutually accepted arrangements are not kept, the company may disconnect service without further notice.

The Company will restore service when the cause of the discontinuance has been removed or resolved and all proper charges due from customer or property owner, including any Reconnection Charge set forth in this tariff, have been made.

Rule 15 - Sprinkling and Irrigation

Water used for sprinkling and irrigation must be paid for at the regular prescribed tariff rates for such service. The hours for such use will be as prescribed from time to time by the Company, subject to protest by any customer affected and reviewed by the Commission. During peak use months (May through September), and at such other times when demand may be high, the Company may prohibit or limit sprinkling and irrigation to preserve water for domestic consumption. Each customer with an irrigation/sprinkling system shall install a rain sensor so that irrigation/sprinkling will not occur when there is rain. Such device is available from the Company at cost.

No person will use water for sprinkling or irrigation purposes during any fire in the area, and all sprinkling or irrigation must be stopped immediately when a fire alarm is sounded or customer is otherwise notified. Use of water may not be resumed until after the fire has been extinguished.

Rule 16 - Rates

Rates for water service and supply are those published in the Company's tariff on file with the Commission. Unless otherwise stated in this tariff, the rates apply to a single service, to one customer at one premise. Where two or more families with separate housekeeping establishments occupy the same or separate dwellings, each family using water is considered a separate customer. Each separate housekeeping establishment or business, using water service, will each be considered a customer.

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ORIGINAL SHEET NO. 12

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WATER SERVICE
RULES AND REGULATIONS

Rule 16 – Rates (continued)

When conditions require that more than one customer be supplied through one meter, each customer will be charged the minimum charge as provided by the schedule of rates. The excess consumption charge will be computed at the regular rates for one customer and the amount prorated equally to the several customers, or otherwise as may be agreed among themselves. Water service must be subscribed to on an annual basis.

Rule 17 - Account Set-Up Charge/NSF (Non-Sufficient Funds) Charge

An account set-up charge as specified in Schedule 12 will be made for each new account or change of account responsibility on an existing service. Such charge will be included in the initial billing to the customer. This charge includes the Company dispatching an employee to establish a base meter reading. This account set-up charge does not apply to:

- (a) Installation of a new meter.
- (b) Temporary or seasonal reconnection is made.
- (c) Owners or agents assuming temporary responsibility for service to vacant premises.

An NSF check charge as specified in Schedule 12 will be made for handling customer checks that have been returned by the bank as NSF or account closed. This charge will be applied to the next billing to the customer or in the instance where a past due bill or a disconnect notice has been paid by a check that has been dishonored the Company may choose to collect the amount of the check and fees in cash or disconnect service.

Rule 18 - Water Availability Letter Charge

Any prospective customer seeking a water availability letter or certificate of water availability from the Company must first pay the appropriate charge as specified in Schedule 12. The water availability letter will include the date issued and the date of expiration. Water availability letters will be valid for no more than one (1) year, or until the expiration of the associated building permit, whichever occurs last.

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WATER SERVICE
RULES AND REGULATIONS**Rule 19 – Limitations on Liability**

- (a) General - The Company's liability, if any, for its gross negligence, willful misconduct or violation of Chapter 19.122 RCW is not limited by this tariff. With respect to any other claim or suit, by a customer or by any others, for damages associated with the installation, provision, termination, maintenance, repair or restoration of service, the Company's liability, if any, shall not exceed an amount equal to the proportionate part of the monthly recurring charge for the service for the period during which the service was affected. THERE SHALL BE NO LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES.
- (b) Disclaimer – THE COMPANY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, EXCEPT THOSE EXPRESSLY SET FORTH IN THIS TARIFF, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- (c) Relation to Charges – The charge for services rendered under this tariff are expressly based on the limitations on damages and disclaimer of warranties set forth above.

Rule 20 - Cross Connection Control

The Company's Cross Connection Control Program is designed to meet the requirements of WAC 246-290-490 as it exists or is hereafter amended or replaced. The Cross Connection Control Program is a tool established by the Washington State Department of Health to protect public health.

The program requires a cross connection control survey to be sent out to each customer no less often than every three years. The survey must be completed and returned within 60 days. If the customer does not return the fully complete survey within 60 days, a second survey will be mailed. If a completed survey is still not received within the following 30 days, the company will assume that a potential cross connection exists and the customer will be notified that an assembly is required for premise isolation.

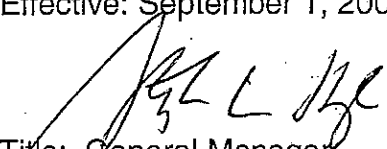
Applicants for new service must fully complete a cross connection control survey as part of their application for service.

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WATER SERVICE
RULES AND REGULATIONS

Rule 20 - Cross Connection Control (continued)

The survey's are reviewed by the Company's Cross Connection Control Program Specialist, or designated person, to determine whether a cross connection hazard exists and if so, the degree of hazard that the existing or proposed cross connection presents. Each service identified as a potential health hazard and not installed with a backflow prevention assembly will receive a *Notice to Install a Backflow Assembly* indicating the need for a backflow assembly and the type of backflow assembly required to be installed. The customer will be given 90 days from the date of the *Notice to Install a Backflow Assembly* to have an approved assembly installed. Installation and cost of compliance will be at the customer's expense.

If proof of installation is not received within 90 days from the date of *Notice to Install a Backflow Assembly* the customer will be sent a *Disconnection Notice* indicating that water service will be disconnected 45 days from the date of the notice if the Company does not receive proof that a backflow assembly has been installed. Water service will be reconnected when the company confirms a backflow assembly is installed. If service is disconnected, the company will charge the customer its current Reconnection Charge, listed on Schedule 12 of this tariff.

Assembly Testing and Inspection

If a customer has an Approved Backflow Prevention Assembly installed, the assembly must be tested annually by a certified Backflow Assembly Tester. The Company maintains a list of certified backflow Assembly Testers that are acceptable to the company. The customer may choose from any person or company on the Company's approved list.

The Company encourages neighbors, community associations and Home Owner Associations to coordinate annual inspections by the Backflow Assembly Tester to help reduce expense of inspection, potential repair costs and improve reporting.

The customer must provide the Company a copy of the annual testing report from the Backflow Assembly Tester within 30 days of the anniversary date of the installation approved backflow prevention assembly. If the annual testing report is not provided

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H&R WATERWORKS, INC.

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WATER SERVICE
RULES AND REGULATIONS

Rule 20 - Cross Connection Control (continued)

within thirty days of the anniversary date of installation of the approve backflow prevention assembly, then the Company will issue a *Notice of Disconnection* pursuant to WAC 480-110-355. If a copy of the annual testing report is still not received by the date specified for disconnection, the company will disconnect the customer's service. If service is disconnected, the Company will charge the customer its current reconnection Charge, listed in Schedule 12 of this tariff.

For each customer meeting any criteria of WAC 246-290-490-4(b) Table 9, no less than every three years, the company will conduct a site visit, premises inspection and will assess the customer the charges set forth in Schedule 12 of this tariff.

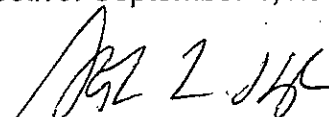
The company may immediately shut off water service if a public health emergency exists, including when a backflow is occurring or an unprotected cross-connection with or an unapproved water source exists.

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SCHEDULE NO. 2

FLAT RATE SERVICE

Available

Within the limits of all Water Service Areas and at company's option and capability to maintain Department of Health standards of quantity and quality.

Applicable

Applicable to domestic residential customers, where meters have not yet been installed or are deemed inoperable.

Conditions

The charge for this service is not subject to cancellation or reduction for seasonal or temporary periods, unless seasonal rates apply per this tariff. This charge will be the monthly minimum bill for this class of service.

Monthly Rates

Each connection or customer \$40.61

State Public Utility Tax

State Public Utility Tax on all charges 5.029%

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SCHEDULE NO. 3**METERED RATE SERVICE****Available**

Within the limits of all Water Service Areas and at company's option and capability to maintain Department of Health standards of quantity and quality.

Applicable

Applicable to domestic residential customers served by the utility on a metered basis.

Conditions

The charge for this service is not subject to cancellation or reduction for seasonal or temporary periods, unless seasonal rates apply per this tariff. This charge will be the monthly minimum bill for this class of service.

Minimum Monthly Rate

Each connection or customer

3/4" service

\$27.30

1" service

\$47.26

3" service

\$273.00

Consumption Charge

Per cubic foot rate for usage of 0 to 1000 cubic feet

\$ 0.0125

Per cubic foot rate for all usage above 1000 cubic feet

\$ 0.0165

State Public Utility Tax

State Public Utility Tax on all charges

5.029%

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SCHEDULE NO. 4

TALL TIMBER BASIC TREATMENT SURCHARGE

Applicable

Applicable to all original Tall Timber Water System customers as denoted with an asterisk in Schedule 1.

Conditions

The surcharge is to apply to all water customers previously served by Tall Timber Water Systems, LLC. The surcharge is set to expire December 31, 2006 or upon recovery of \$159,730.65 loan principal, interest charges, fees and state excise taxes, whichever occurs first. Surcharge recovery applies to water system plan documents submitted to the Department of Health, and titled "Treatment Surcharge 1/2001"

Monthly Rate

Basic Treatment Surcharge of \$5.60

State Public Utility Tax

State Public Utility Tax on all charges 5.029%

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SCHEDULE NO. 4.1

CEDAR SHORES SURCHARGE

Applicable

Applicable to all Cedar Shores customers.

Conditions

The surcharge is to apply to all Cedar Shores water customers previously served by Tall Timber Water Systems, LLC. The surcharge is set to expire May 30, 2021 or upon recovery of \$45,808.00 loan principal, interest charges, fees and state excise taxes, whichever occurs first. Surcharge recovery applies to water system plan documents submitted to the Department of Health, and titled "Cedar Shores Treatment Surcharge 6/2001"

Monthly Rate

Cedar Shores Treatment Surcharge of \$13.25

State Public Utility Tax

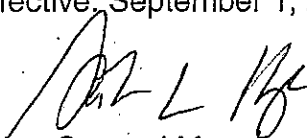
State Public Utility Tax on all charges 5.029%

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SCHEDULE NO. 4.2

TRANSITIONS 2005 DOH REPAIR SURCHARGE

Applicable

Applicable to all Transitions Spanaway 192nd customers.

Conditions

Surcharge recovery is to apply to all Spanaway 192nd water customers previously served by Transitions Water Services, LLC. Surcharge is to expire October 31, 2010 or upon recovery of \$81,396.00 loan principal, interest charges, fees, and state excise taxes, whichever occurs first. Surcharge recovery applies to the DOH mandated system upgrades and repairs, and is titled "2005 DOH Repair Surcharge".

Monthly Rate

To all Spanaway 192nd water customers \$20.13

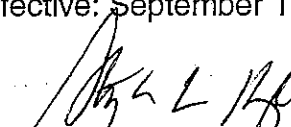
State Public Utility Tax

State Public Utility Tax on all charges 5.029%

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SCHEDULE NO. 5
TAX ADJUSTMENT

GENERAL

1. The rates and charges applicable under other schedules of this tariff do not include any portion of business, occupation, use of streets, or other excise taxes levied any municipality or other governmental body.
2. In order for the company to recover its costs of the above-referenced taxes without imposing burden of that tax upon its customers outside the City of Gig Harbor, amounts equivalent to such taxes where now imposed, or which may hereafter be imposed, shall be billed by the company to its Gig Harbor customers within the territorial limits of the City of Gig Harbor on a pro rata basis.
3. The adjustment set forth in this schedule shall apply to all services applicable under other schedules of this tariff within the territorial limits of the City of Gig Harbor.

TAX ADJUSTMENT

<u>Taxing Jurisdiction</u>	<u>Kind of Tax</u>	<u>Rate</u>
City of Gig Harbor	B & O	5%

CONDITIONS

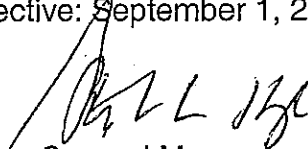
1. In taxing jurisdictions where the ordinance or similar edict creating one of the above referenced taxes does not provide for a tax on the amounts collected for the applicable tax, the tax rate for billings will be applied in accordance with the ordinance to the rates and charges applicable under other schedules of this tariff for services, as applicable, on each customer's bill.
2. In taxing jurisdictions where the ordinance or similar edict creating one of the above referenced taxes provides for a tax on the amounts collected for the applicable tax, an effective tax rate for billings will be determined by relating the amount of tax imposed by the ordinance to revenues. The effective rate so determined will be applied to the rates and charges applicable under other schedules of this tariff for service, as applicable, on each customer's bill.
3. Deductions authorized by the ordinance or similar edict creating one of the above referenced taxes which reduce the total amount of taxes paid to the taxing jurisdiction will be made before determining the effective tax rate to be applied to each customer as set forth in Conditions 1 and 2 above.

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SCHEDULE NO. 10**SERVICE CONNECTION CHARGE****Size of Service Connection****Service Connection Charge**

3/4 inch service	\$500.00
Tax Gross-up of 33%	<u>\$165.00</u>
Total Service Connection Charge	\$665.00

Larger than 3/4 inch service

Labor and Material

1. A charge will be made the first time a customer's service pipe, 3/4 inch or smaller, is connected to the utility's main. The charge for a larger connection will be the cost of labor and materials. This charge does not include the cost of a meter, or its installation. A meter will be furnished, installed and maintained by the utility without direct cost to the customer.
2. The utility owns and maintains all materials involved in making a service connection.
3. The service connection charge must be paid before the water is turned on.
4. In addition, there will be a charge based on a gross up factor due to federal income taxes assessed.
5. Meter will be placed in a suitable meter box located at the customer's property line, except when this is not practicable. The meter will be installed upon the customer's premises in some convenient location approved by the utility where the meter will at all times be accessible for reading, inspection and testing. (See Rule 8 and Rule 9)
6. Service Connections will be installed within 7 days from payment, unless prior arrangement in writing are agreed upon by both the customer and the utility.

State Service Tax

State Service and Other Activities Tax on all charges	1.5%
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SCHEDULE NO. 11READY TO SERVE CHARGEAVAILABLE

Within the limits of all water service areas and at utility's option and capability to maintain Department of Health standards of quantity and quality.

APPLICABLE

Applicable to domestic residential customers, where service connections exist, where meters have not yet been installed and where mains of adequate capacity and service lines have been installed and are maintained by the utility in or on streets, easements or roadway within the service area described in this tariff.

CONDITIONS

1. The Ready To Serve Charge will be applied for the availability of water service and not on the basis of water consumption. This charge will be the monthly minimum for this class of service.
2. The Ready To Serve Charge may be discontinued upon receiving written request from the customer or for non-payment of the Ready To Serve charge. Termination of the charge will allow the utility to remove the service line and/or connection. This disconnection or removal will allow the company to make that available service capacity to supply other connections on the water system or in the water system service area. After a service line and/or connection has been removed for discontinued service, future service to the property will require a new application for service, payment of service connection charges and will be subject to the availability of service capacity at such time as the future service application is made.

MONTHLY RATES

Each connection or customer \$8.50

State Public Utility Tax

State Public Utility Tax on all charges 5.029%

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SCHEDULE 12**ANCILLARY CHARGES**

Rule 5	Reconnection Charge	\$20.00
	Disconnection Visit Charge	\$10.00
Rule 6	Flat to Metered by Request of Customer	\$156.25
Rule 9	Access to Premise/Service Visit Charge	\$25.00
Rule 11	Late Payment Fee	\$ 3.50
Rule 17	Account Set-up Charge	\$15.00
	NSF Check Charge	\$15.00
Rule 18	Water Availability Letter Charge	\$25.00
Rule 20	Cross Connection Control	
	Disconnection Charge	\$20.00
	Site Visit Charge	\$25.00

State Public Utility Tax

State Public Utility Tax on all charges 5.029%

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